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C O N F I D E N T I A L SECTION 01 OF 04 PRAGUE 000704

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SUBJECT: CZECH REPUBLIC: PROSPECTS FOR MISSILE DEFENSE
RATIFICATION

REF: A. PRAGUE 696

[1](#)B. PRAGUE 681

Classified By: AMBASSADOR RICHARD GRABER FOR REASONS 1.4 (B) AND (D).

[1](#)1. (C) SUMMARY: On October 29, the Czech government took its first steps toward ratifying the two missile defense (MD) agreements, the BMDA and SOFA. In both chambers of the parliament, however, these initial steps were thwarted by 1) the new political reality brought about by the October regional and senate elections; and 2) the old reality of Czech politics where principles and political goals are secondary to settling scores and making deals. As a result, the ratification has been delayed at least until the end of November in the Senate, and into 2009 in the lower chamber. Ratification prospects will also be influenced by internal political developments, including whether PM Topolánek will survive as premier and party chairman and whether he will be able to reach some form of a cease-fire in advance of the Czech EU Presidency. END SUMMARY.

PRINCIPLES? IDEALS? THIS IS BUSINESS!

[1](#)2. (C) The week of October 27 was billed by Czech officials as the first big push on MD ratification. Emboffs heard from several sources that the Senate Foreign Affairs and Defense Committee and the Constitutional and Judicial Committee would consider and vote on the two MD agreements on October 29, and the full Senate would vote on October 30. This plan corresponded to the scenario DPM Alexandr Vondra outlined to USDP Edelman on October 21, whereby the Senate would send a positive "signal" to the Lower Chamber by ratifying the MD agreements soon (ref A). The results of the senate elections' October 24-25 second round (ref B), however, derailed this ratification plan, which was leaked to the press and immediately drew strong criticism from the opposition. The opposition's main objection focused on the fact that the ratification vote would be pushed through the "old" Senate in which the ruling Civic Democrats controlled a majority of the seats (41 out of 81). The "new" Senate, which is due to take office on November 26 and which will reflect the opposition CSSD's dramatic success in the October elections, would not have an opportunity to vote on the agreements. According to the opposition, the ratification vote would therefore not reflect the will of the people.

[1](#)3. (C) The Senate leadership, controlled by the Civic Democrats (ODS), backpedaled and decided not to press for a full Senate vote on October 30. As explained by DPM Vondra to Ambassador Graber in their October 30 meeting, ODS decided for this tactical retreat because it needed to create "a different kind of atmosphere" vis-a-vis CSSD following ODS' back-to-back election losses. That is undoubtedly true, and better cooperation with the opposition in the Senate and the

Lower Chamber would be welcome on a whole host of issues, including MD and the Czech EU Presidency. Another reason for ODS' change of heart, however, may have been less principled.

We have heard from several sources that Senate Chairman Premysl Sobotka (ODS) decided to defer the MD ratification in large part because he believed that this conciliatory step would help him preserve his leadership post in the Senate. This type of a bargain would not be at all unusual in Czech politics, where most issues and posts are decided in the proverbial smoke-filled back rooms. The outgoing Chairman of the Senate Foreign Affairs Committee, Richard Sequens (Indep.), indirectly confirmed this rumored deal in his last speech to the Senate on October 30, when he castigated unnamed politicians for using MD, a matter of national security, as an election issue and as an issue in post-election negotiations. In a subsequent meeting with Ambassador Graber, Sequens stated that not only the Senate chairmanship, but also other Senate leadership posts were possibly a part of the bargain.

14. (C) The MD agreements suffered a similar fate in the Lower Chamber, where the government planned to push them through the first reading on October 29. The debate began following an initial win by the government, which managed to vote down an opposition proposal to take the two agreements off the Lower Chamber's agenda. As expected, PM Topolánek introduced the two agreements personally. During the ensuing debate, the opposition, especially CSSD's shadow Foreign Minister Lubomir Zaoralek and CSSD's chairman Jiri Paroubek, rehearsed the anti-MD arguments heard over the past 18 months:

1) Czech public's opposition to the project; 2) MD will undermine NATO and European unity; 3) the Czech parliament

PRAGUE 00000704 002 OF 004

should wait until the position of the next U.S. administration is known; and 4) the ballistic missile threat has not been proven. The only new argument the opposition introduced was a faulty interpretation of the recent Institute for Defense Analyses (IDA) study, which the opposition mischaracterized as a Pentagon study that concluded the MD system was ineffective. Note: Working with MDA, Embassy Prague on the same day provided the Czech government with a letter signed by Larry Welch, the lead author of the IDA study, in which he rebuts these mischaracterizations. On October 31, General Obering also had an opportunity to clarify the IDA study results to a group of parliamentarians, including several from the opposition. End Note.

15. (C) However, the Lower Chamber's first reading of the MD agreements was sunk in the end not by the opposition's arguments, but by a vendetta of MP Vlastimil Tlustý (ODS) against PM Topolánek. A former finance minister in the first Topolánek government in 2006, Tlustý was passed over in the second Topolánek government, and since then the two have been locked in an open political combat. Tlustý showed on previous occasions that he is prepared to do almost anything to harm Topolánek. With Topolánek weakened by the October electoral debacle and his ODS chairmanship in doubt, Tlustý decided to press his advantage during the MD debate. He proposed that the parliament interrupt the first reading. Without his vote, and that of two other renegade ODS MPs who are Tlustý's allies, the government had no chance of winning the first reading vote. The first reading of the two agreements was therefore not completed on October 29, and in a sense, Tlustý got the interruption that he wanted. As he openly admitted to Ambassador Graber in a November 4 meeting, he wanted to deny PM Topolánek any success before the December 5-7 ODS Congress, during which Topolánek will be fighting for reelection as ODS chairman. Tlustý stated: "I can promise to support MD one day after the ODS Congress." Tlustý therefore confirmed DPM Vondra's assessment of his character and motivation, which he shared with Ambassador Graber on October 30: "Tlustý is playing a game before the ODS Congress... Tlustý is not an idealist; politics is business for him."

¶16. (C) This "politics is business" reality of the Czech parliament and senate, as well as the new post-election reality on the Czech political scene has further complicated what would be a very difficult ratification under the best of circumstances. The Topolanek government miscalculated when it timed the ratification to follow the October elections. Rather than calming the political scene the regional and senate election sweeps by the opposition have left Topolanek weakened, made the prospects of his government unclear, and led to a more assertive opposition in both chambers of the parliament. And yet, no one in the Czech government is throwing in the towel on MD. Rather, there are signs that the Czech political scene is gradually settling down after the election upheaval in October and politicians are beginning to think more soberly about the tasks at hand.

¶17. (C) Although there are still more questions than answers throughout the Czech political landscape, the talk of a downfall of PM Topolanek's government and of early elections has been replaced by signals that the government and opposition may be inching toward a cease-fire, which all agree will be critical for a successful Czech EU Presidency. On October 30, PM Topolanek and CSSD leader Paroubek met in secret to discuss the EU Presidency (the meeting was immediately leaked to the press). DPM Vondra told Ambassador Graber the same day that it was clear the government would have to communicate and, if possible, cooperate with CSSD. A few days later, Paroubek stated that he would be prepared to tolerate the Topolanek government during the Czech EU Presidency if the government did not make "big mistakes." Topolanek reciprocated the positive step by stating that it was possible to agree with Paroubek on the EU Presidency.

¶18. (C) As is usual in Czech politics, the noble act of putting matters of state before matters of political expediency will probably be backed up by a good old political deal. It is rumored that Paroubek will trade his "tolerance" for the Speaker's chair in the Lower Chamber, a likely scenario given that Paroubek has coveted that post since the 2006 parliamentary elections. Some have also speculated that the EU Commissioner's job is at play. It is unclear whether

PRAGUE 00000704 003 OF 004

this possible political reconciliation will encompass only the EU Presidency or other issues like MD. The Chairman of CSSD's parliamentary caucus, Michal Hasek, told us that there were two factors working in favor of the radar: 1) the parliamentary debate is taking place after the elections; and 2) the Czech Republic will be taking up the EU Presidency in two months. We have heard similar assessments from other parliamentarians on both sides of the aisle. While Topolanek and Paroubek may be inching toward a possible political deal, nothing will be decided until the ODS party congress in early December. If Topolanek suffers a loss at the congress and he is unable to work out a deal with the new ODS chairman, his government could yet fall. If Topolanek were to lose the premiership, MD would also lose its biggest backer in Czech politics. His departure from the political scene would also inject further uncertainty into the upcoming Czech EU Presidency.

TWO SCENARIOS FOR MD RATIFICATION

¶19. (C) Despite these uncertainties, the Czech government is currently working with two scenarios for ratification, described to Ambassador Graber by DPM Vondra: 1) push the two agreements through the Lower Chamber "by force," i.e. count every vote and force the undecided MPs to vote for the agreements; and 2) ratify MD as part of some larger

understanding, e.g., Lisbon Treaty for MD swap; or another political bargain. Under both scenarios, ratification in the Senate, even in its new configuration with stronger CSSD, is not considered problematic. DPM Vondra stated that the new Senate will vote to ratify the two agreements on November 26.

Since this is the first day that the incoming Senate will convene and will have to deal with issues like oaths of office, electing new leadership, and selecting committee chairs, it is possible that the ratification vote may slip a few days. However, it is realistic to expect that the Czech Senate will vote on the agreements in late November or early December. Outgoing (and possibly incoming) Senate Chairman Sobotka also assured us that he would push the agreements through the Senate before the end of the year.

110. (C) The Lower Chamber will have to return to the unfinished first reading of the MD agreements. The earliest possible opportunity will be the last parliamentary session of the year, which will begin on November 25. The agenda for this last session is always jam-packed with key legislation like the budget and foreign deployments bills. Adding the first reading of the MD agreements, however, will be automatic, since the first reading was not completed during the previous parliamentary session. Two questions remain: 1) Whether the agreements will be taken up before or after the December 5-7 ODS Congress. Clearly, if MP Tlustý has his way, it will be after. 2) Whether PM Topolánek will again propose that the debate period between the first and the second reading be extended. In a nod toward his coalition partner, the Green party, and possibly toward the opposition as well, PM Topolánek proposed during the October 29 first reading that the debate period be extended from 60 to 120 days. With this extension, the second reading would take place in February, after the new U.S. president's inauguration. This is something that certain members of the Green Party, including Education Minister Ondřej Liska, have demanded. With the shift in the first reading to early December, an extension of the debate period would no longer be necessary, since the second - and final - reading would take place in February even under the standard 60-day debate period.

111. (C) If the government proposes to extend the debate period in December to something longer than 60 days, then two explanations would offer themselves: 1) the government does not have the votes in the Lower Chamber; or 2) the government is working on a deal with the opposition that would broaden the support for MD to the opposition ranks. In Ambassador Graber's October 30 discussion with DPM Vondra, it was clear that the government has not yet lost hope that CSSD's chairman Paroubek could become more flexible on MD. Indeed, Paroubek has never closed the door on changing his party's position, but has always maintained that something significant would have to occur to prompt such a shift, without ever explaining clearly what that "something" would entail. In Vondra's view, Paroubek, who aims to return to the prime minister's chair after the 2010 parliamentary election, will be very careful not to undermine his relationship with the United States. Indeed, with the election of Barack Obama, he will be even more focused on

PRAGUE 00000704 004 OF 004

preserving his ties to Washington. Changing CSSD's position, however, will be difficult. In an October 31 discussion with parliamentarians, Chairman of the CSSD Parliamentary Club Hasek explained that CSSD's position rests on a decision of its party congress, and only another party congress could reverse the decision. Hasek added that the next CSSD congress is scheduled for April 2009. We have heard about the possible shift at the next CSSD congress also from other sources. Such a shift would likely depend on both, the next U.S. administration's position on MD and developments within NATO. However, there are still many reasons - all political - why Paroubek would want to avoid cooperating on this deeply unpopular issue. He has told Ambassador Graber repeatedly that he fears losing voters on the left to the Communist

party if CSSD supports the radar. For a party leader who is already preparing for the 2010 parliamentary elections, voters will remain foremost in his mind.

COMMENT

¶12. (C) As the first steps toward MD ratification showed last week, the fragile and non-transparent political environment in the Czech Republic can be unforgiving, even in matters of national security. However, with PM Topolanek, DPM Vondra, FM Schwarzenberg and others still committed to seeing the MD agreements approved, ratification is by no means a lost cause. Indeed, if Topolanek manages to agree on a more cooperative relationship with Paroubek, such an agreement could include more than the EU Presidency-related cease-fire. For many within ODS, a Lisbon Treaty for MD bargain continues to have an appeal, since both MD and the Lisbon Treaty will now move roughly in parallel through the Czech parliament. Naturally, if the MD agreements pass with some level of support from CSSD, the radar project would benefit tremendously, since it would essentially become a non-issue politically. However, as DPM Vondra noted, both ratification scenarios have to remain on the table because it is possible that despite all the positive smoke signals, Paroubek and CSSD will decide that an agreement with the government would not make much "business" sense at this time.
Graber